Smart Track
Logistics

Case Study
Retail Asset Protection & Load Monitoring

Load Monitoring ■ Distributed Order Management ■ Asset Protection
Freight & Asset Status ■ Managed Services

Business Overview

Worldwide multi-billion dollar apparel and footwear retailer with multiple store banners and cross channel distribution wanted to protect their freight and gain better visibility to the status of their loads and store deliveries.

Freight & Asset Overview

- 1800+ Retail stores and cross channel outlets
- 4 Regional Distribution Centers (RDC)
- 17 pooling facilities with multi-stop deliveries
- $90M in freight spend
- Central and local supply chain systems
- Freight consists of totes, cartons, pallets and marketing displays

Business Process & Challenges Defined

- Full truck loads leave RDC's to pooling centers. Once freight leaves the RDC the retailer loses visibility until the freight is received at the store. This is due to the pooling centers paper run cross dock process. Depending on freight destination, the "*Dock Door to Store*" process can take two to seven days.
  - o Shortages are discovered 8 – 15 days after shipment departure
  - o Root cause analysis is a "painful" process taking many hours and people to determine time and cause, if determination is made at all.
  - o Stores can potentially wait days until putting replenishment or new styles on the floor, as the only way of knowing if freight arrived is to see new sales or lack thereof. This provided a key area for improvement to the retailer.
- Theft was found to be in five areas of the transportation life cycle;
  - o Seal was not being applied at the proper time and collusion with the gate, driver and dock workers was evident.
  - o Outbound trailers were staged in the yard next to the fence line allowing access through a hole in the fence.
  - o Pooling centers or store personnel would remove cartons from pallets
  - o Drivers would make unscheduled stops and deter from their routes
  - o Returns processing company had trailers stolen and broken into

Solution

The project initiated as a pilot run through two pooling centers and all loads were monitored by Smart Track Logistics Managed Services team. After a 60 day proof of concept the retailer fully deployed the Smart Track Logistics Asset Tracker *SaaS* Solution. The solution is enhanced by GPS/GSM enabled eseals and pallet/tote cargo tracking tags.   The project took 18 days from kickoff to go-live, including integration with JD Edwards, this was accomplished during the pilot phase.

The re-usable eseals are utilized on all outbound RDC loads, as well as loads from the pooling center and the returns processor. The eseals provide location to the mapping technology of Asset Tracker. Additional functionality alerts users to deviations in the route, stops, down time, shock and unauthorized opening of trailer/container doors. The retailer utilizes the Dock Scheduling functionality from Smart Track to systematically manage inbound/outbound load schedules and validates a load is ready for pickup when the eseal has been activated. Additional validation happens at the gate, systematically matching driver to load to seal making certain the driver has picked up the correct load.

When the load is within range (20 minutes in this case), of the pooling center or store, Asset Tracker will alert them to the pending delivery so personnel can plan for receipt. Additionally, once the store opens the eseal, Smart Track updates the POS system, making the freight available to sell. Buyers, merchandisers and supply chain personnel are provided real time load status and visibility to all freight. The system notifies business partners and internal personnel based on an escalation plan managed in the Smart Track solution.

The pallet/tote cargo tracking tags are "salted" into orders and loads by the retailer. Should a tag be separated from the cargo an alert will be sent, notifying a user that a pallet/tote is leaving the main load outside of the configurable thresholds. Law enforcement can be directed to the exact location of the tag and Smart Track will continually update the information for real time location of the asset.

Key Benefits and Payback

The key benefits the retailer obtained were;

1. Visibility to loads and status- If a load is delayed the Smart Track system alerts personnel so they may be pro-active in their planning.
2. Yard system manages the freight in the yard and does not allow high value freight to be positioned in high risk areas.
3. POS update- This was a key area of benefit as new lines and replenishments were made available to sell immediately upon delivery and could not sit on the stocking room floor. New line sales increased 4% over North American stores.
4. Reduction in theft- The largest area of benefit, the retailer saw was a reduction in transportation related theft. This dropped by more than 70% totaling $1.7M in 9 months.
5. Gate control- The solution provided a systematic way to validate outbound loads and capture data.

Solution Return

Project Payback to Cost	
Reduction in Cargo Theft	$1,700,000
POS update	$650,000
Load Status and update - Back office labor cost	$66,000
Total Reduction	$2,416,000
Project Cost	
Smart Track Logistics Asset Tracker Solution- Annual Cost	$35,000
Implementation- One time cost	$24,000
Client integration and Project Management cost	$25,000
100 Smart Track eseals	$30,000
50 Smart Track Cargo tags	$15,000
Data Package - Annual	$18,000
Maintenance & Support	$0.00
Upgrades	$0.00
Cost of Servers	$0.00
Total Project Cost	**$147,000**
Project Return	$2,269,000

Smart Track Logistics offers O*n-Demand* Solutions to Track and Manage Transportation Flow

Smart Track Logistics can be found on the web at www.SmartTrackLogistics.com.
Or email us at sales@smarttracklogistics.com

*The Smart Track System is one of the best things we ever did as a company.
We have a much more secure transportation process and immediate visibility to
our freight and assets.*

Asset Protection Manager